

**Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.**

1 State of Arkansas  
2 83rd General Assembly  
3 Regular Session, 2001  
4

*As Engrossed: S2/27/01*

## A Bill

SENATE BILL 581

5 By: Senators K. Smith, Horn, Miller, J. Jeffress  
6 By: Representatives Bevis, Jones, House, Lewellen, Judy, Dees, Adams, Allison, Bond, Bookout, Boyd,  
7 Bradford, Bright, Bolin, Borhauer, Carson, Clemons, Cowling, Creekmore, Eason, J. Elliott, Fite,  
8 Gillespie, Gipson, Glover, Goss, Green, Hathorn, Hausam, Hickinbotham, Jackson, Jacobs, G. Jeffress,  
9 C. Johnson, King, Ledbetter, Lendall, Lowery, McMellon, Mack, Mathis, Moore, Napper, Nichols,  
10 Oglesby, Prater, Rankin, Rodgers, Roebuck, Salmon, Shoffner, Scrimshire, Scroggin, Seawel, R. Smith,  
11 M. Steele, T. Steele, Stovall, Thomas, Trammell, Weaver, White, Wood  
12  
13

### For An Act To Be Entitled

14 AN ACT TO ESTABLISH THE ARKANSAS PUBLIC TRANSIT TRUST  
15 FUND; AND FOR OTHER PURPOSES.  
16

### Subtitle

17 TO ESTABLISH THE ARKANSAS PUBLIC TRANSIT  
18 TRUST FUND.  
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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25 SECTION 1. Arkansas Code 26-52-311 is amended to read as follows:

26 26-52-311. Rental vehicle tax.

27 (a)(1) In addition to the gross receipts tax or compensating use tax  
28 levied by Title 26, there is levied a tax to be known as the "rental vehicle  
29 tax". The rental vehicle tax shall be levied on the gross receipts or gross  
30 proceeds derived from rentals of licensed motor vehicles leased for a period  
31 of less than thirty (30) days. The gross receipts or gross proceeds derived  
32 from the rentals shall be taxable whether or not the gross receipts tax levied  
33 by § 26-52-101 et seq., or the compensating use tax levied by § 26-53-101 et  
34 seq., was paid at the time of registration.

35 (2) The gross receipts or gross proceeds derived from the sale of  
36 a motor vehicle to a person engaged in the business of renting licensed motor

1 vehicles shall be exempt from taxation under the gross receipts tax levied by  
2 § 26-52-101 et seq., the compensating use tax levied § 26-53-101 et seq., and  
3 any municipal or county sales taxes, if the motor vehicle is used exclusively  
4 for the purpose of rentals for a period of less than thirty (30) days.

5 (b)(1) The In addition to the rate in subsection (c), the rental  
6 vehicle tax shall be levied at the same rate as the combined gross receipts  
7 taxes levied by §§ 26-52-301 and 26-52-302 and any act supplemental thereto  
8 and the rate of any applicable municipal or county taxes.

9 (c)(2) Except as provided otherwise in this section, the tax  
10 shall be collected, reported, and paid in the same manner and at the same time  
11 as is prescribed by law for the collection, reporting, and payment of the  
12 gross receipts tax imposed by § 26-52-101 et seq.

13 (d)(1)(3)(A) The rental vehicle tax shall be remitted to the  
14 Director of the Department of Finance and Administration and, except for the  
15 amount equal to the municipal and county taxes, shall be deposited in the  
16 State Treasury as general revenues.

17 (2)(B) The amount of the tax which is based on the  
18 municipal and county sales taxes shall be remitted to the city or county in  
19 the same manner as for municipal and county sales taxes.

20 (c)(1) There is also imposed another additional rental vehicle tax at  
21 the rate of five percent (5%) on the gross receipts or gross proceeds derived  
22 from the rentals of licensed motor vehicles leased for a period of less than  
23 thirty (30) days.

24 (2) Except as provided otherwise in this section, the tax shall  
25 be collected, reported, and paid in the same manner and at the same time as is  
26 prescribed by law for the collection, reporting, and payment of the gross  
27 receipts tax imposed by the Arkansas Gross Receipts Act of 1941.

28 (3)(A)(i) The rental vehicle tax shall be remitted to the  
29 Director of the Department of Finance and Administration and the first two  
30 million, eight hundred fifty thousand dollars (\$2,850,000) each year of the  
31 net revenues derived from the tax imposed by this subsection (c) shall be  
32 deposited in the Arkansas Public Transit Trust Fund, which is created on the  
33 books of the Treasurer of State, the Auditor of State, and the Chief Fiscal  
34 Officer of the State.

35 (ii) The monies shall be used by the Arkansas State  
36 Highway and Transportation Department for the purpose of acquiring federal

1 matching funds for the purchase of public transportation vehicles, public  
2 transit equipment or facilities, and for the operation of the United States  
3 Department of Transportation Federal Transit Administration Assistance  
4 programs.

5 (B) The remaining revenues shall be deposited in the  
6 General Education Public School Fund Account to be used exclusively for  
7 teacher salaries.

8 ~~(e)~~(d)(1) It shall be unlawful for any person engaged in the business  
9 of renting licensed motor vehicles for a period of less than thirty (30) days  
10 to include a surcharge on the rental of the motor vehicles for any gross  
11 receipts taxes or compensating use taxes paid by the person.

12 (2) Any person who violates this section shall be subject to a  
13 fine not to exceed one thousand dollars (\$1,000).

14 ~~(f)~~(e) The tax levied by this section shall not apply to the lease or  
15 rental of diesel trucks rented or leased for commercial shipping or farm  
16 machinery or farm equipment rented or leased for a commercial purpose.

17 ~~(g)~~(f) The rental vehicle tax shall not apply to gasoline or diesel -  
18 *powered trucks rented or leased for residential moving or shipping.*

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20 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the General  
21 Assembly that public transportation vehicles, equipment, and facilities need  
22 to be replaced or purchased in order to ensure the safety of the citizens on  
23 the roads in the State of Arkansas. Matching federal funds enables the State  
24 of Arkansas to receive assistance in the purchase of these items. Therefore,  
25 an emergency is declared to exist and this act being immediately necessary for  
26 the preservation of the public peace, health and safety shall become effective  
27 on July 1, 2001.

28 /s/ K. Smith  
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